

**Projected HMF Revenues Under Various Alternatives
Based on Average Annual Construction Data**

ATTACHMENT 6
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| Building Permit Data from Community Condition Indicators for the Years Shown | | |
|---|---|--|
| Year | New Office/Ind Floor Area Permitted (SF) | New Retail/Services ¹ Permitted (SF) |
| 2000 | 660,975 | Not Available |
| 2005 | 151,200 | 240,000 |
| 2006 | 146,368 | 8,000 |
| 2007 | 2,780,657 | 5,000 |
| 2008 | 831,705 | 293,000 |
| 2009 | 675 | 229,494 |
| 2010 | 29,278 | 127,838 |
| 2011 | 774,098 | - |
| 2012 | 1,070,523 | 12,000 |
| 2013 | 671,402 | 49,496 |
| Total | 7,116,881 | 964,828 |
| Avg / Year | 711,688 | 107,203 |

1. Assuming that this includes lodging.

| Quantified Objectives (QO) = 650 Low & Very Low Income Units | | | |
|---|-------------------------|------------------------------|--------------------------|
| RHNA = 2,546 Low & Very Low Income Units | | | |
| Income Level | Subsidy Per Unit | City Subsidy Per Unit | City Total for QO |
| Very Low | \$268,000 | \$134,000 | \$ 53,600,000 |
| Low | \$112,000 | \$56,000 | \$ 14,000,000 |
| Moderate | \$0 | \$0 | \$ - |
| Total Cost | | | \$ 67,600,000 |
| Avg Annual for 8 yr RHNA | | | \$ 8,450,000 |
| Avg City Subsidy / Unit for QO ² | | | \$ 104,000 |

2. City subsidy is lower than total due to leveraging of other funds (tax credits, other City housing funds, State, County, etc.)

**Projected HMF Revenues under Various Alternatives
Based on Average Annual Construction Data, 2000-2013**

| Alternatives ³ | HMF Rev from Office/Ind | HMF Rev from Retail/Svcs | Total Projected HMF Revenues | Funding Goal for QO | Other City Housing Funds ⁴ | (Shortfall) / Surplus | Estim. Units Funded / Yr with HMF Only | Estim Units / Yr, Other Funds | Total Units in 8- year RHNA Cycle | Result | Acres of Land Required ⁵ |
|---------------------------|-------------------------------|--------------------------------|---------------------------------------|------------------------|---|--------------------------|--|-------------------------------------|---|--|---|
| Alternative 2 | \$ 6,832,206 | \$ 514,575 | \$ 7,346,781 | \$ 8,500,000 | 1,500,000 | \$ 346,781 | 71 | 14 | 681 | Meets QO; any excess toward full RHNA | 17 |
| Alternative 3 | \$ 8,540,257 | \$ 643,219 | \$ 9,183,476 | \$ 8,500,000 | 1,500,000 | \$ 2,183,476 | 88 | 14 | 822 | Meets QO; any excess toward full RHNA | 21 |
| Scenario A | \$ 5,693,505 | \$ 428,812 | \$ 6,122,317 | \$ 8,500,000 | 1,500,000 | \$ (877,683) | 59 | 14 | 586 | Does not meet QO | 15 |
| Scenario B | \$ 11,387,010 | \$ 1,715,250 | \$ 13,102,259 | \$ 8,500,000 | 1,500,000 | \$ 6,102,259 | 126 | 14 | 1,123 | Meets QO; any excess toward full RHNA | 28 |

3. All alternatives assume 20% reduction for existing floor area. Impossible to apply discounted rates for first 25,000 SF of a project, because historic building data is in the aggregate (impossible to identify project sizes), however this is not considered significant in the larger context, given that future construction rates may be higher than the historic average, which would offset any slightly lower fee revenues due to the discount.

4. Approximate, based on historic trends and future projections of other housing revenues (CDBG, CDBG RLF, HOME, BMR In-Lieu). Does not include potential future sources such as Rental Impact Fee.

5. Assuming average project density of 40 units/acre, consistent with EPS Nexus Study assumptions.

Historic Uses of Housing Mitigation Funds *
(Includes Fee Revenues, Loan Payments, Interest Income)

| Major Housing Projects Funded with HMF | HMF Funding | # of Units | Project Type | Occupant Type | Housing Type |
|---|----------------------|------------|----------------------------|------------------------------------|--------------------|
| Aster Park Apartments (1991) | \$ 450,000 | 95 | Rehab/Preservation | Workforce | Rental |
| Orchard Gardens Apartments (1998) | \$ 648,099 | 62 | Acquisition/Rehabilitation | Workforce | Rental |
| Stoney Pine Apartments (1998) | \$ 420,000 | 23 | New Construction | Special Needs | Supportive Rental |
| Eight Trees Apartments (2002) | \$ 915,000 | 24 | Acquisition/Rehabilitation | Workforce | Supportive Rental |
| Moulton Plaza (2004) | \$ 992,000 | 66 | New Construction | Workforce & Seniors | Rental |
| Garland Plaza (2007) | \$ 2,100,000 | 20 | Acquisition/Rehabilitation | Workforce | Rental |
| Fair Oaks Plaza (2009) | \$ 5,108,273 | 124 | New Construction | Seniors | Supportive Rental |
| Homestead Park Apartments Rehab (2012) | \$ 5,000,000 | 211 | Rehab | Workforce & Seniors | Rental |
| Parkside Studios (2013) | \$ 4,100,000 | 59 | New Construction | Workforce & Special Needs | Supportive Rental |
| MidPen Armory Apartments (2013) | \$ 4,100,000 | 58 | New Construction | Workforce & Special Needs | Supportive Rental |
| Jackson St. Habitat Homes (2013) | \$ 880,000 | 2 | Acquisition/Rehabilitation | First Time Home Buyers / Workforce | Self-Help for-sale |
| Total HMF Funding for Capital Projects | \$ 24,713,372 | 744 | | | |
| Avg HMF Funding per Unit | \$ 33,217 | | | | |

| | |
|---|------------|
| # Units Reserved for Seniors/Special Needs Tenants | 194 |
| % Units Reserved for Seniors/Special Needs Tenants | 26% |
| # New Construction Units | 330 |
| % New Construction Units | 44% |

In addition to the above:

A small portion of HMF funds (average of approximately \$350,000 / year since 2003) is also used for First Time Home Buyer loans, Housing Program administration, planning and policy development, monitoring and compliance, and other Housing program operational expenses.

A total of slightly over \$1.5 million in HMF has been provided to the Silicon Valley Housing Trust in annual or periodic grants from the City since the Trust's inception in 2001, for the Trust's affordable housing programs, which include down payment assistance, financing for construction and/or rehabilitation of affordable rental units, and related programs.

* The projects listed above do not include any Sunnyvale Below Market Rate units or affordable housing projects funded with non-HMF sources.

Fair Oaks Senior Housing Project (1 & 2 BRs)**HMF committed in 2009, Project Completed in 2011**

| | |
|--|------------------|
| Units | 124 |
| City HMF | \$ 4,467,000 |
| City HOME | \$ 1,400,000 |
| Other Financing (State, Fed, Tax Credits) | \$ 30,133,000 |
| Total Project Cost | \$ 36,000,000 |
| Cost / Unit | \$ 290,323 |
| City HMF Subsidy per Unit | \$ 36,024 |
| Total City Subsidy per Unit (with HOME) | \$ 47,315 |
| Percent of Project Cost Paid with HMF | 12% |
| Percent of Project Cost Paid by any City Funds | 16% |

Armory Family Apartments (1-3 BRs)**HMF committed in 2013, Project Completion by Dec. 2016**

| | |
|---|------------------|
| Units | 58 |
| City HMF | \$ 4,100,000 |
| City HOME | \$ 1,300,000 |
| Other Financing (State, Fed, County, Tax Credits) | \$ 26,900,000 |
| Total Project Cost | \$ 32,300,000 |
| Cost / Unit | \$ 556,897 |
| City HMF Subsidy per Unit | \$ 70,690 |
| Total City Subsidy per Unit (with HOME) | \$ 93,103 |
| Percent of Project Cost Paid with HMF | 13% |
| Percent of Project Cost Paid by any City Funds | 17% |

Policies and Procedures for Expenditure of HMF

Policy Guidance for Expenditure of HMF

1. Goals and Objectives of Housing Element of Sunnyvale General Plan, adopted through extensive public outreach and review process that takes several years to complete.
2. HMF authorizing resolution adopted by Council
3. Other Council Policies applicable to affordable housing programs
4. Adopted City Budgets and Budget Policies
5. City Procurement Policies
6. Specific Council direction (occasional)
7. Federal and State housing legislation, fair housing laws as applicable
8. Housing-related goals and objectives of Sunnyvale's HUD Consolidated Plan (non-mandatory guidance)
9. Best practices in affordable housing development (non-mandatory guidance)
10. Regional goals and objectives (non-mandatory guidance)

Procedures for Review and Approval of Capital Project Expenditures

1. Staff provides draft request for proposals to Housing and Human Services Commission for review on public hearing agenda. Commission approves with or without changes.
2. Staff releases RFP to general public, publicizes on City website, distributes to interested parties, list-serves, etc.
3. Proposals received, evaluated by staff, evaluations reported to Commission in public hearings, applicants make presentations to Commissions in public hearings. Commission deliberates and makes recommendation to Council on award of HMF loans or grants for proposed projects.
4. Council holds public hearing and makes final decision on funding awards.
5. Funding awards included in Recommended Budget.
6. Commission reviews Recommended Budget in public hearing.
7. Council reviews Recommended Budget, adopts with or without changes, in public hearing.
8. Staff issues conditional funding award letters for projects approved in Final Budget.
9. In case of mid-year funding requests, Commission and Council may consider request and Council may approve budget modification if necessary, in public hearing.

Procedures for Review and Approval of HMF Operating Expenditures

1. Staff develops operating budget based on known and estimated program needs, commitments for coming year (study issues/non-routine projects, programs in Housing Element, etc.).
2. Proposed budget, as approved by City Manager, included in Recommended Budget.
3. Commission reviews Recommended Budget in public hearing.
4. Council reviews Recommended Budget, adopts with or without changes.
5. Staff utilizes operating funds, to the extent required, consistent with Final Adopted Budget.
6. In case of mid-year funding requests, Commission and Council may consider request and Council may approve budget modification if necessary, in public hearing.